

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>04-05</b>	2. STATE: <b>ILLINOIS</b>
	3. PROGRAM IDENTIFICATION: <b>Title XIX of the Social Security Act (Medicaid)</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: <b>1/10/04</b>	

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN      ☐ AMENDMENT TO BE CONSIDERED AS NEWPLAN      ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 89 Illinois Administrative Code Chapter 1, Section 148.126 Subsection d	7. FEDERAL BUDGET IMPACT a. FFY '03 \$ 3.9 million b. FFY '04 \$ 0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  4.19A pages 131c and 131d	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  4.19A pages 131c and 131d

10. SUBJECT OF AMENDMENT:

**Safety Net Adjustment Payments**

11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Not submitted for review by prior approval.		16. RETURN TO:  <b>Illinois Department of Public Aid Bureau of Program and Reimbursement Analysis Attn: Frank Kopel, Chief 201 South Grand Avenue East Springfield, IL 62763-0001</b>
12. SIGNATURE OF AGENCY OFFICIAL:		
13. TYPED NAME: <b>Barry S. Maram</b>	14. TITLE: <b>Director of Public Aid</b>	
15. DATE SUBMITTED		

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 3/31/04	18. DATE APPROVED: <b>MAY 17 2004</b>
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JAN 10 2004</b>	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Bryan Smith</i>
21. TYPED NAME Cheryl A. Harris	22. TITLE: Associate Regional Administrator, Division of Medicaid and Children's Health
23. REMARKS:	

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG). AND MEDICAL ASSISTANCE-NO GRANT (MANG).

- (1) Has at least one obstetrical graduate medical education program, as listed in the "2000-2001 Graduate Medical Education Directory"—\$5.
  - (2) Provided more than 5,000 obstetrical days in the safety net hospital adjustment base period—\$35.
  - (3) Provided fewer than 4,000 obstetrical days in the safety net hospital adjustment base period and its average length of stay is:
    - (a) Less than or equal to 4.50 days—\$5.
    - (b) Less than 4.00 days—\$5.
    - (c) Less than 3.75 days—\$5.
- x. A qualifying hospital, that is neither a rehabilitation hospital nor a children's hospital, that is located outside HSA 6, that has a MIUR greater than 50 per centum, and that:
- A. Provides obstetrical care \$70
  - B. Does not provide obstetrical care—\$30.
- xi. A qualifying hospital that provided greater than 35,000 days in the safety net hospital base year—\$6.00.
- xii. A qualifying hospital with two or more graduate medical education programs, as listed in the "2000-2001 Graduate Medical Education Directory", with an average length of stay less than 4 days—\$48.00.
- xiii. A qualifying hospital that is neither a rehabilitation hospital nor a children's hospital, that is located outside of HSA6, that has an MIUR greater than 50 percentum, and is designated a Level II trauma center by the Illinois Department of Public Health as of July 1, 2001-\$232.75.
- b. For a hospital qualifying under Section (1)(b) of these rules, the rate shall be \$123.
- c. For a hospital qualifying under Section (1)(c) of these rules, the rate is the sum of the amounts for each of the following for which it qualifies:
- i. A qualifying hospital—\$40.
  - ii. If it has an average length of stay less than 4.00 days and:
    - A. More than 150 licensed beds —\$20.
    - B. Fewer than 150 licensed beds—\$40.
  - iii. The eligible hospital with the lowest average length of stay—\$15.
  - iv. It has a CMIUR greater than 65 per centum—\$35.
  - v. It has fewer than 25 total admissions in the safety net hospital adjustment base period—\$160.

01/04

TN # 04-05  
SUPERSEDES  
TN # 03-02

APPROVAL DATE MAY 17 2004 EFFECTIVE DATE 01-10-04

## STATE OF ILLINOIS

## METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

- d. For a hospital qualifying under subsection (1)(d) the rate shall be \$55.
- e. For a hospital qualifying under subsection (1)(e), the rate is the sum of the amounts for each of the following for which it qualifies divided by the hospital's total days:
  - i. The hospital that has the highest number of obstetrical care admissions—\$30,840.
  - ii. The greater of :
    - A. The product of \$115 multiplied by the number of obstetrical care admissions.
    - B. The product of \$11.50 multiplied by the number of general care admissions.

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## 4. Payment To a Qualifying Hospital

- a. The total annual payments to a qualifying hospital shall be the product of the hospital's rate multiplied by two multiplied by total days.
- ~~b. For the safety net adjustment period occurring in State fiscal year 2003, total payments will equal the methodologies described above. For the period January 1, 2003, to June 30, 2003, payment will equal the State fiscal year 2003 amount less the amount the hospital received under the safety net adjustment period for the quarters ending September 30, 2002 and December 31, 2002.~~
- b.e. For safety net adjustment periods occurring after State fiscal year 2003, total payments will equal the methodologies described above and shall be paid to the hospital during the safety net adjustment period in installments on, at least, a quarterly basis.
- c. The payment described in subsection (3)(a) will only be made in State fiscal year 2004 for the quarter ending March 31, 2004

5. Definitions

- a. "Average length of stay" means, for a given hospital, a fraction, in which the numerator is the number of total days and the denominator is the number of total admissions.
- b. "Combined MIUR" means the sum of Medicaid Inpatient Utilization Rate (MIUR), plus the Medicaid obstetrical inpatient utilization rate, determined as of October 1, 2001, both of which are defined in Chapter VI.C.8.
- c. "General care admissions" means, for a given hospital, the number of hospital inpatient admissions for recipients of medical assistance under Title XIX of the Social Security Act, as tabulated from the Department's

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